

Message Text

LIMITED OFFICIAL USE

PAGE 01 GEORGE 01622 021501Z

46

ACTION ARA-20

INFO OCT-01 ISO-00 OMB-01 TAR-02 SPC-03 AGR-20 AID-20

CIAE-00 COME-00 EB-11 INR-10 IO-14 LAB-06 NSAE-00

RSC-01 SIL-01 STR-08 TRSE-00 CIEP-02 CEA-02 SS-20

NSC-10 L-03 H-03 PRS-01 PA-04 USIA-15 EUR-25 DRC-01

/204 W

----- 015165

R 011755Z NOV 73

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 9024

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

LIMITED OFFICIAL USE GEORGETOWN 1622

E.O. 11652: N/A

TAGS: EAGR PFOR

SUBJECT: US SUGAR QUOTA-GSPA STATEMENT

REF: GEORGETOWN 1610

SUMMARY: GUYANA SUGAR PRODUCERS ASSOCIATION ISSUED RELEASE CALLING US INCREASE IN WEST INDIES SUGAR QUOTA "A HEARTENING INDICATION OF GOODWILL." SAID NEGOTIATIONS BETWEEN IMPORTING AND EXPORTING COUNTRIES CONDUCTED "IN AN ATMOSPHERE OF GOODWILL." STORY GIVEN GOOD PLAY IN TQIS MORNING'S PRESS, ALTHOUGH EDITORIAL IN GRAPHIC IMPLIED DISSATISFACTION WITH 40,000-TON QUOTA FOR 1974 AS COMPARED TO NORMAL ALLOCATIONS. GRAPHIC DID CONCEDE CUT IN QUOTA "JUSTIFIED." END SUMMARY.

1. GUYANA SUGAR PRODUCERS ASSOCIATION(GSPA) LAST NIGHT ISSUED FOLLOWING STATEMENT TO PRESS:

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GEORGE 01622 021501Z

QUOTE THE GUYANA SUGAR PRODUCERS' ASSOCIATION REGARDS THE

UNITED STATES GOVERNMENT'S DECISION TO INCREASE THE WEST INDIES SUGAR QUOTA FOR 1974 TO 40,000 SHORT TONS AS A HEARTENING INDICATION OF GOODWILL TOWARDS THE COUNTRIES OF THE COMMONWEALTH CARIBBEAN. THE AREA'S QUOTA HAD RECENTLY BEEN REDUCED FROM APPROXIMATELY 200,000 SHORT TONS FOR 1973 TO 23,302 SHORT TONS FOR 1974 BECAUSE OF WNLARED SHORTFALLS. IT POTENTIALLY COULD HAVE BEEN REDUCED TO NIL DUE TO FURTHER PRODUCTIONGN SHORTFALLS.

THE U.S. DEPARTMENT OF AGRICULTURE WAS ACTING IN STRICT ACCORDANCE WITH THE PROVISIONS OF THE U.S. MARKET WHILE EXPORTING TO OTHER MARKETS. THIS CLAUSE WAS CLEARLY INTENDED TO PREVENT EXPORTERS FROM TAKING ADVANTAGE OF HIGH PRICES ON THE WORLD MARKET IN PREFERENCE TO MEETING THEIR FULL COMMITMENTS TO THE U.S. MARKET.

THE GOVERNMENTS OF THE COMMONWEALTH CARIBBEAN SUGAR EXPORTING COUNTRIES CONTENTED THAT IT SHOULD NOT BE APPLIED IN THE CASE OF THE WEST INDIES WHICH HAS A WELL-KNOWN OBLIGATION TO SUPPLY ITS TRADITIONAL SUGAR MARKET IN THE UNITED KINGDOM AS A FIRST PRIORITY. THE PRICE RECEIVED ON THE U.K. MARKET IS LOWER THAN THAT OBTAINED ON THE U.S. MARKET, SO THE AREA COULD NOT BE CONSIDERED GUILTY OF PROFITEERING. THE WEST INDIES U.S. SUGAR QUOTA FOR 1974 HAS BEEN INCREASED TO 40,000 SHORT TONS AS A RESULT OF NEGOTIATIONS CONDUCTED BETWEEN THE IMPORTING AND EXPORTING COUNTRIES IN AN ATMOSPHERE OF MUTUAL GOODWILL. (THIS AMOUNT IS THE WEST INDIES OWN ESTIMATE OF THE TONNAGE WHICH CAN BE SUPPLIED TO THE US MARKET NEXT YEAR.) IT SHOULD BE NOTED THAT THIS QUOTA ALLOCATION APPLIES TO 1974 ONLY. THE U.S. SUGAR ACT COMES UP FOR REVIEW DURING THAT YEAR AND ITS PROVISION COULD BE CHANGED FROM 1975 ONWARDS. BY THAT YEAR PRODUCTION SHOULD HAVE RECOVERED SUFFICIENTLY FOR THE WEST INDIES FORMER QUOTA OF APPROXIMATELY 200,000 SHORT TONS TO BE RESTORED. UNQUOTE

2. BRACKETED SENTENCE ADDED AT AMBASSADOR'S SUGGESTION AS AMENDMENT AFTER ORIGINAL RELEASE.

3. BOTH MORNING PAPERS GAVE STATEMENT GOOD PLAY, INCLUDING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GEORGE 01622 021501Z

FACT THAT 40,000 TONS ALL WEST INDIES EXPECTED BE ABLE SUPPLY US IN 1974. GRAPHIC, HOWEVER, IN EDITORIALIZING ON SIR ROBERT KIRWOOD'S STATEMENT THAT WEST INDIES WOULD BE ABLE MEET QUOTAS IN 1975 AND THEREAFTER (REFTEL), SAID THIS PREDICTION MADE AGAINST BACKGROUND OF "REPORTS THAT USDA HAD DECIED TO INSIGNIFICANTLY INCREASE REGION'S QUOTA FOR 1974 BY ALMOST 17,000 TONS... THE REPORTED INCREASE OF THE QUOTA STILL FALLS SHORT OF THE QUANTITY OF SUGAR WHICH THE REGION SUPPLIES

THE US." SOMEWHAT GRUDGINGLY, EDITORIAL DOES SAY

AR END

"THE CUT IN THE QUOTA BY USDA WAS LIKEWISE JUSTIFIED BY THE
REGION'S CONSISTENT FAILURE TO MEET QUOTA REQUIREMENTS."

4. COMMENT: WE CAN EXPECT SOME AMBIVALENCE IN MEDIA TREATMENT
OF SUGAR QUOTA PROBLEM AS RESULT OF IGNORANCE, MISUNDERSTANDINGS
AND LOSS OF HEADLINE-MAKING THEME THAT REDUCTION PUNITIVE
MEASURE BY US. KING

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973GEORGE01622
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: GEORGETOWN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731162/aaaabtez.tel
Line Count: 124
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: GEORGETOWN 1610
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 23 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23-Jan-2002 by kelleyw0>; APPROVED <31-Jan-2002 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US SUGAR QUOTA-GSPA STATEMENT
TAGS: EAGR, PFOR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005